

SENATE BILL 3318  
By Burks

AN ACT to amend Tennessee Code Annotated, Title 62, Chapter 6 and Title 66, Chapter 11, relative to contractors' liens and contracts on certain residential real property.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 66-11-146, is amended by adding the following language as a new subsection to be designated as follows:

(c)

(1) Notwithstanding the provisions of any contract, law, rule or regulation to the contrary, a residential contractor is prohibited from filing an excessive lien against residential real property for the construction of a new home.

(2) No contract entered into after the effective date of this act for the construction of a new home shall contain any provision which would give or permit a residential contractor to place a lien against such property which is excessive.

(3) As used in this subsection, the term "excessive" means an amount which exceeds ten percent (10%) of the contract price for the building of such home.

SECTION 2. Tennessee Code Annotated, Title 62, Chapter 6, Part 1, is amended by adding the following language as a new section to be designated as follows:

62-6-136.

(a) A residential contractor is prohibited from violating the provisions of § 66-11-146(c).

(b) For each violation of § 66-11-146(c), by a residential contractor, the board is authorized to impose a civil penalty in an amount not to exceed ten percent (10%) of the amount of the lien filed by the residential contractor against residential real property for

the construction of a new home after notice and an opportunity for a hearing.

Such penalty shall be in addition to any other penalty authorized pursuant to this part.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it and shall apply to any lien to which this act applies filed on or after the effective date of this act.